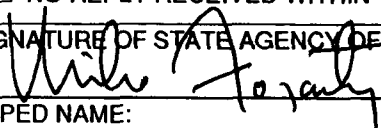



TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: <u>0 2 — 0 9</u>	2. STATE: OKLAHOMA
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 07/01/02	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.200 & 441.151 & 440.160		7. FEDERAL BUDGET IMPACT: a. FFY 2002 \$ <u>-0-</u> b. FFY 2003 \$ <u>-0-</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 13c Attachment 4.19-B, Page 13d Attachment 3.1-A, Page 7a-2 Attachment 3.1-B, Page 6a-1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same page, Revised 07/01/98, TN#98-19 Same page, Revised 08/01/00, TN#00-15 Same page, Revised 08/01/99, TN#99-19 Same page, Revised 08/01/99, TN#99-19	
10. SUBJECT OF AMENDMENT: Adding CARF certification to RPTCs and ability to negotiate rates for out-of-state placements			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Oklahoma Health Care Authority Attn: Billie Wright 4545 N. Lincoln, Suite 124 Oklahoma City, OK 73105	
13. TYPED NAME: Mike Fogarty			
14. TITLE: Chief Executive Officer			
15. DATE SUBMITTED: 6-27-02 *			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 28 JUNE 2002		18. DATE APPROVED: 07/25/02	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: ANDREW A. FREDRICKSON		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR DIV OF MEDICAID	
23. REMARKS: c: Mike Fogarty Jim Hancock Billie Wright <i>* Pen-and-Ink addition per 6-28-02 e-mail from the State (copy of e-mail enclosed)</i>			

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE****Description of How Rates are Set for Residential Psychiatric Treatment Centers** (continued)

New residential psychiatric treatment centers (this does not include facilities having a change in ownership) lacking 12 months of cost report information shall receive the statewide median per diem operating and movable capital rate plus the statewide median fixed capital per diem amount.

After submittal of the first full year's cost report, capital payments will be based on a blend of the facility-specific fixed capital per diem and a statewide median fixed capital per diem amount according to the same blend percentage applied to all other facilities. The facility-specific fixed capital per diem amount and the facility-specific per diem operating and movable capital amount will be calculated from the first full year's cost report information.

Out-of-state facilities for which the Agency has on file a fiscal year 1989 or more recent cost report, shall be reimbursed the same as in-state Oklahoma residential psychiatric treatment centers. Residential psychiatric treatment centers for which the Agency does not have a fiscal year 1989 or more recent cost report will receive the statewide median amounts for both components of the residential psychiatric treatment center rate.

Effective July 1, 1998, reimbursement for residential psychiatric treatment centers (RPTCs) will be paid according to facility peer group, using the statewide median per diem amounts for both components of the residential psychiatric treatment center rate. Out-of-state facilities will be reimbursed in the same manner as in-state residential psychiatric treatment centers.

Effective July 1, 2002. In the event comparable services cannot be purchased from an Oklahoma facility and the current payment levels are insufficient to obtain access for the recipient to an out-of-state facility, the Agency may negotiate an all-inclusive per diem rate. This rate will consist of both the physician's fees and the facility fees (all-inclusive). The per diem rate will be a rate up to, but no greater than usual and customary charges. Out-of-state facilities must have the same accreditation as Oklahoma facilities and be appropriately state licensed.

1. Definitions:

- a. **Hospital-based facility.** A RPTC that is operated by a hospital (i.e., under the common ownership, licensure or control of a hospital), and is fully accredited by JCAHO, AOA, or CARF as a psychiatric facility or program. The RPTC must also be licensed as a residential child care facility.
- b. **Freestanding facility.** An independent RPTC (i.e., not part of a hospital or any other facility) that is fully accredited by JCAHO, AOA, or CARF as a psychiatric facility or program. The RPTC must also be licensed as a residential child care facility.

New 07-01-02

TN# 02-09Approval Date 09-25-02Effective Date 07-01-02

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**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE**

- c. **Community-based facility.** A RPTC that is independent (i.e., not part of a hospital or any other facility), and is fully accredited by JCAHO, AOA, or CARF as a psychiatric facility or program. The RPTC must also be licensed as a child placement agency.

2. For payment purposes there are two peer groups:

- a. Hospital based and freestanding facilities
b. Community based RPTCs

- i. **Hospital Based and Freestanding RPTCs.** The statewide median component rates were calculated using 1989 audited cost reports according to the methodology described on Attachment 4.19-B, page 13. Payment will be an all-inclusive per diem. The facility must furnish, either directly or under arrangements, all non-physician services, including prescribed drugs.
- ii. **Community Based RPTCs.** The statewide median component rates were calculated using 1990 audited cost reports according to the methodology described on Attachment 4.19-B, page 13. Payment will be made for routine per diem services, exclusive of ancillary and physician services. Ancillary and physician services will be reimbursed separately on a fee for service basis.

3. **Adjustments**

Effective July 1, 1998, peer grouped statewide median operating and movable equipment per-diem rates for RPTCs will be updated using the DRI fourth quarter index's forecast for the midpoint of the upcoming state fiscal year (e.g., 2.4%) and the HCFA PPS-type Hospital market basket weight assigned for compensation (e.g., 61.39%). Example: FY99 rate = FY98 statewide median operating and moveable equipment rate x update factor (1.0147). Effective August 1, 2000, the statewide median operating and movable equipment per-diem rates for RPTCs will be updated by multiplying the prior year per-diem by a factor of 12%. A state plan amendment will be submitted to update future rate periods.

Revised 07-01-02

TN# 02-09 Approval Date 09-25-02 Effective Date 07-01-02
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TN# 00-15

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DATE RECD <u>06-27-02</u>	
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HCFA 179 <u>OK-02-09</u>	

State: OKLAHOMA

**AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
CATEGORICALLY NEEDY**

16. Inpatient psychiatric facility services for individuals under 22

Inpatient psychiatric services for individuals under age 22 will be prior authorized for an approved length of stay by an agent designated by the Agency. Extensions beyond the approved length of stay may be granted when medically necessary and approved by the designated agent. Medical documentation must be submitted by the hospital and/or physician to the designated agent for consideration.

Limited to those who are receiving such services in an institution which is accredited as a psychiatric hospital or an in-patient psychiatric program in a hospital, accredited by Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or a psychiatric facility, licensed by the state, which is accredited by the JCAHO, American Osteopathic Association (AOA), or Commission on Accreditation of Rehabilitation Facilities (CARF).

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DATE EFF	<u>07-01-02</u>
HCFA 179	<u>OK-02-09</u>

A

State: OKLAHOMA

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Revised 07-01-02

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